IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

RONALD A. KATZ TECHNOLOGY)
LICENSING, L.P.,)
Plaintiff,)
v.) C.A. No. 06-547 (GMS)
AMERICAN INTERNATIONAL GROUP, INC.)
et al.,)
Defendants.)
)

PLAINTIFF RONALD A. KATZ TECHNOLOGY LICENSING, L.P.'S REPLY TO DEFENDANT AQUILA, INC.'S COUNTERCLAIMS

Plaintiff and Counterclaim-Defendant Ronald A. Katz Technology Licensing,
L.P. ("Katz Technology Licensing") replies to the Counterclaims of Defendant and
Counterclaim-Plaintiff Aquila, Inc. ("Aquila") as follows:

- On information and belief, Katz Technology Licensing admits that Aquila is a Delaware corporation having a principal place of business at 20 West Ninth Street, Kansas City, Missouri 64105.
- Katz Technology Licensing admits that it is a California limited partnership with its principal place of business at 9220 Sunset Boulevard, Suite 315, Los Angeles, California 90069, as alleged in Paragraph 2 of Aquila's Counterclaims.
- 3. Katz Technology Licensing: (a) admits that this Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338(a); (b) admits that Aquila purports to bring its counterclaims for a declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202, as alleged in Paragraph 3 of Aquila's Counterclaims; and (c) denies the viability of that request for a declaratory judgment. Katz Technology Licensing denies the remaining allegations set forth in Paragraph 3.

- 4. Katz Technology Licensing admits that venue is proper in this judicial district, as alleged in Paragraph 4 of Aquila's Counterclaims.
- 5. Katz Technology Licensing admits that there is an actual controversy between the parties with respect to Aquila's infringement of the patents identified in Paragraph 101 of Katz Technology Licensing's Complaint. Katz Technology Licensing denies the remaining allegations set forth in Paragraph 5 of Aquila's Counterclaims.
- Katz Technology Licensing denies the allegations set forth in Paragraph 6
 of Aquila's Counterclaims.
- 7. Katz Technology Licensing denies the allegations set forth in Paragraph 7 of Aquila's Counterclaims.
- 8. Katz Technology Licensing denies the allegations set forth in Paragraph 8 of Aquila's Counterclaims.

PRAYER FOR RELIEF ON AQUILA'S COUNTERCLAIMS

Katz Technology Licensing respectfully requests that, in response to Aquila's Counterclaims, this Court:

- 1. Dismiss Aquila's Counterclaims with prejudice;
- 2. Adjudge that Aquila is not entitled to any relief, including any of the relief requested in Aquila's prayer for relief; and
- 3. Award to Katz Technology Licensing the relief requested in its Complaint and such other relief as the Court may deem appropriate and just under the circumstances.

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DATED: November 15, 2006

CERTIFICATE OF SERVICE

I hereby certify that on November 15, 2006, I electronically filed the foregoing

Reply of Ronald A. Katz Technology Licensing, L.P. to Defendant Aquila Inc.'s

Counterclaims with the Clerk of Court using CM/ECF, which will send notification of

such filing to the following:

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